GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:331
ANSWERED ON:15.04.2008
INCENTIVES TO LEATHER INDUSTRY
Prasad Shri Hari Kewal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is a great potential for the growth of the leather based industries in the country;

(b) if so, the details thereof and the present share of Indian leather based industries in the world market;

(c) the incentives and facilities provided to leather based industries alongwith the facilities made available to labourers engaged in the said sector, at present, State-wise; and

(d) the State-wise amount spent thereon by the Government during the last three years?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY(SHRI KAMAL NATH)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 331 TO BE ANSWERED ON 15.04.2008 REGARDING INCENTIVES TO LEATHER INDUSTRY

(a) & (b): Yes, Sir.The Indian leather industry with an output of over Rs. 35,000 crores and exports of Rs. 13,492 crores in 2006-07, is the third largest leather and leather products producer after China and Italy. India ranks eight among the top leather exporting countries. In 2005, India accounted for a share of 2.56% in the global leather trade.

(c) & (d): The Government of India under the Integrated Development of Leather Sector scheme is providing financial assistance @ 30% to SSI and 20% to Non-SSI units for modernization and technological up-gradation of leather units. Under Industrial Infrastructure Up-gradation Scheme (IIUS), two leather clusters, one at Kanpur (U.P) and another at Ambur (Tamil Nadu) are being provided assistance for development of infrastructure facilities with a focus on environmental protection. Infrastructure projects also include setting up of a Leather Footwear Complex and a Footwear Component Park in Tamil Nadu and a Leather Goods Park at Kolkata. Financial assistance is also provided to exporters under Market Access Initiative (MAI) and Market Development Assistance (MDA). Government is providing incentives like allowing duty free import of leather, import of specified machinery for leather sector at concessional rate of 5% import duty, duty free import of critical inputs for leather products including footwear to the extent of 3% of FOB value of export of the previous year. The artisans and labourers involved in the sector are provided training and marketing support under the Human Resource Development and Support to Rural Artisan scheme implemented by the Government during the 10th Plan period. A Statement giving the State-wise expenditure of the Central Government on the above schemes is annexed.